UNITED NATIONS

ECONOMIC AND SOCIAL COUNCIL

Distr.
GENERAL

E/CN.15/1993/4
25 January 1993

ORIGINAL: ENGLISH

COMMISSION ON CRIME PREVENTION
AND CRIMINAL JUSTICE
Second session
Vienna, 13-23 April 1993
Item 3 of the provisional agenda*

REVIEW OF PRIORITY THEMES

Control of proceeds of crime

Report of the Secretary-General

Summary

The present report is submitted in pursuance of resolution 1/2 adopted by the Commission on Crime Prevention and Criminal Justice at its first session. It provides an overview of problems associated with the proceeds of crime, on the basis of a preliminary study of the application of such proceeds to the infiltration of legitimate economic activities. It examines the problems from the perspective of Governments and financial institutions, and sets out certain basic principles to be followed in developing effective and efficient strategies and policies for the control of the proceeds of crime. It also elaborates on the role of the United Nations in promoting international cooperation in this field, and includes recommendations for the consideration of the Commission.

*E/CN.15/1993/1.

V.93-80927 8873T

CONTENTS

	Paragraphs	Page
INTRODUCTION	1-7	3
I. ISSUES RELATED TO THE PROCEEDS OF CRIME	8-16	4
II. PROBLEMS ASSOCIATED WITH THE CONTROL OF THE PROCEEDS OF CRIME	17-28	7
A. Governmental perspective	17-24	7
B. Perspective of financial institutions	25-28	9
III. ACTION AGAINST THE LAUNDERING OF THE PROCEEDS OF CRIME	29-48	11
IV. INTERNATIONAL COOPERATION AND INITIATIVES	49-59	16
V. THE ROLE OF THE UNITED NATIONS CRIME PREVENTION AND CRIMINAL JUSTICE PROGRAMME	60-69	18

INTRODUCTION

1. The international community is faced with an increasing occurrence of well-organized criminal activity that transcends national borders, that replicates methods and techniques used with success in the financial and business communities, and that generates enormous wealth. Driven by greed and providing a powerful stimulus to further expansion of criminal activity, this has added a highly dangerous dimension to the economies of developed and developing countries alike. While the true scale of the problem, in monetary terms, is unknown, estimates deriving mainly from the more advanced studies of specific types of criminal activity, namely trafficking in illicit drugs, suggest that several hundreds of billions of United States dollars (US$) are generated illicitly every year. The estimated figures serve only as indications of the threat posed to the global financial system. They represent amounts considerably higher than the gross domestic products of many nations.

2. The concern of Member States over the proceeds of crime has been voiced in a number of resolutions of the General Assembly, the Economic and Social Council, the Eighth United Nations Congress on the Prevention of Crime and the Treatment of Offenders, and more recently the Commission on Crime Prevention and Criminal Justice at its first session. It was also reflected in the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988, 1/ which contains specific provisions dealing with the subject.

3. The Eighth Congress adopted guidelines for the prevention and control of organized crime, contained in the annex to its resolution 24. 2/ Member States were invited to make available to the Secretary-General the provisions of their legislation relating to money-laundering, the tracing, monitoring and forfeiture of the proceeds of crime, the monitoring of large-scale transactions and other measures. The information and material provided by Member States was intended to increase knowledge on the approaches taken to deal with the problem, in order to enable the United Nations crime prevention and criminal justice programme to provide policy advice and practical assistance to Member States wishing to draft or revise their legislation.

4. On the recommendation of the Eighth Congress, the General Assembly adopted its resolutions 45/107 and 45/123 of 14 December 1990, in which it called for concerted action to facilitate the seizure and confiscation of the proceeds of crime, as well as for the development of effective modalities to prevent and control money-laundering and investment related to criminal activities.

5. The Commission on Crime Prevention and Criminal Justice accorded particular attention to the issue of the control of proceeds of crime at its first session. On its recommendation, the Economic and Social Council adopted its resolution 1992/22 of 30 July 1992, in which money-laundering was included as part of the first priority theme that will guide the work of the Commission and the activities of the United Nations crime prevention and criminal justice programme during the next four years. Furthermore, the Commission, in its resolution 1/2 on the control of the proceeds of crime, 3/ requested the Secretary-General:

(a) To examine the possibility of coordinating the efforts already made at the multilateral level against the laundering of proceeds of crime and related offences, including embezzlement;

(b) To study and propose means for rendering technical assistance to requesting Member States in drafting or revising legislation, in training financial, investigative, law enforcement and judicial personnel, in developing regional, subregional or bilateral cooperation, and in providing advice on relevant strategies and techniques;

(c) To develop specific modalities of cooperation among all United Nations entities with relevant mandates, in particular the United Nations crime prevention and criminal justice programme and the United Nations International Drug Control Programme (UNDCP).

6. The present report, submitted in response to Commission resolution 1/2, is intended to provide a first assessment of the existing possibilities for coordination of global efforts to prevent and control the use and laundering of the proceeds of crime. It seeks to identify viable options for effective concerted action and further effort at all levels, and attempts to place the entire matter in perspective by briefly examining the basic issues involved and underlining the difficulties that must be overcome, on the premise that all aspects of the problem should be thoroughly examined and understood before informed decisions can be made.

7. The recommendations contained in this report are the result of a preliminary study. They are by no means comprehensive, not only because a thorough study would require much more time than was available, but also because of the very nature of the problem. Action against the laundering of the proceeds of crime and related offences and activities should be founded on a rapid and reliable flow of information, constant appraisal of the situation and the ability to adapt to new and changing methods, as well as to the specific needs of Member States. In addition, the study of the problem must be concurrent with comprehensive knowledge of the criminal activity that underlies it. In this context, there is need for keeping abreast of developments and for monitoring trends, in order to be able to identify new areas that relate to, and present opportunities for, an expansion of transnational crime. Failure to meet those requirements may frustrate, constrain or undermine the effectiveness of any action undertaken.

I. ISSUES RELATED TO THE PROCEEDS OF CRIME

8. Large-scale transnational criminal activity is motivated by the desire to accumulate vast wealth and to wield the power that it brings with it. Studies in countries with the most sophisticated systems for dealing with such a phenomenon, including the capability of monitoring their internal situation in a manner that allows the collection and processing of reliable data, have shown that the involvement of organized criminal groups in certain areas produces an annual turnover of enormous proportions. The figures that have been published vary in accordance with the perception of what is exactly the turnover to be measured and the method of measurement. Conversely, these figures represent to a large extent projections and estimates, on the basis of accumulated knowledge regarding trends, supply capacities and demand for certain commodities that have attracted the intense interest of criminal groups. Recent figures used by agencies in the United States of America and by the Financial Action Task Force on Money Laundering of the Group of Seven major industrialized countries suggest that in one area of criminality alone, namely drug production and

trafficking, sums of up to US$ 500 billion* may be generated annually. There are, however, indications that these estimates may be conservative.

9. In the absence of concrete facts and figures there is a basic difficulty in appreciating the extent of the problem. The estimates of profits generated by criminal activity, particularly at the international level, are based more on educated guesses than on reliable statistics. A number of countries, particularly developing ones, are facing considerable technical problems in collecting and processing reliable information, or even identifying the activities that are generating such vast profits. In addition, organized transnational crime has undergone fundamental changes in the recent past. The methods of operation of criminal groups whose interests and activities transcend national frontiers have become more sophisticated and diversified. Sophistication and flexibility in the pursuit of illicit purposes are often the result of improvements in organizational structures and application of modern techniques ranging from communications to management. An alarming factor is that at present the perpetrators of transnational crime are seeking and receiving expert advice prior to organizing and carrying out their activities.

10. As a result of the scarcity of information, a tendency has developed over recent years to concentrate efforts principally on certain forms of crime. Drug trafficking is one criminal activity that has received prominence in the priorities of the majority of Member States. It is considered to be one of the most nefarious criminal activities and the biggest producer of illicit proceeds. Policies and legislation have therefore been developed or adopted in an almost universal effort to curb this criminal activity. International cooperation has been strengthened considerably and Member States have tangibly demonstrated their strong political will and invested in the fight against drugs. While this concentration of effort and resources has already begun to produce positive results, and commitments in that direction should continue, attention should not be diverted from the true dimensions of the problem, which is commensurate with the entire range of organized criminal activity ranging from the most traditional to the newest forms.

11. Organized and transnational crime is characterized by the ability to diversify its operations and engage in new activities or in new geographical areas as soon as they appear promising. The determining factor is not only profitability and high yield at low risk, but also success in the efforts against a particular criminal activity. It has been established that criminal groups respond to an increased risk for their operations with remarkable speed and flexibility. In the example used earlier, drug trafficking, it has become a standard practice for law enforcement authorities to measure their success or failure by the fluctuations in the street value of drugs. As soon as risk increases, criminal groups seek to identify other activities or commodities that offer potential for maximizing their profits without exposing them or

---

*According to estimates of sales of certain drugs in the United States and Europe, presented in a report of the Financial Action Task Force on Money Laundering issued in February 1990, and an estimate of illicit drugs profits contained in a report entitled "Drug money-laundering, banks and foreign policy", submitted to the United States Senate Foreign Relations Committee in February 1990 by its Subcommittee on Narcotics, Terrorism and International Operations.

their members to the dangers of detection and apprehension. The same applies to the territorial aspect of criminal activity. Successful efforts of a Government against the operations of criminal groups is countered by shifting operations across frontiers to other jurisdictions that are less well organized or prepared, or, in the case of countries in transition to multiparty democracies, where pre-existing infrastructures have been eroded.

12. Besides narcotics, the activities of organized and transnational crime that have been known to yield high profits include trafficking in weapons, environmental crime (such as the disposal of toxic wastes), the removal, transport and sale of cultural property, and illicit trafficking in human body parts. The ability of organized and transnational crime to diversify its operations and constantly seek new markets and commodities is perhaps best illustrated by recent reports that suggest increasing involvement of organized criminal groups in the illicit sale and transport of nuclear material. The threats posed to international peace and security by this activity are obvious.

13. An area that has seen significant expansion in recent years is that of economic crime. It is fairly easy to understand the reasons for the interest of organized and transnational criminal groups in this area. Economic crime is profitable, difficult to detect and offers a reasonably low profile that helps minimize risks and divert attention from criminal groups. The absence of violence and the apparent "victimless" nature of economic crime is another attraction. The tendency to consider the perpetration of economic crimes by organized and transnational criminal groups less important than their more traditional and violent endeavours is understandable but dangerous. It is understandable as a natural derivative of the frustration over the inability to curb the occurrence of violent crimes and to control criminal groups. It is dangerous because the potential of economic crimes to undermine financial systems and sometimes entire national economies cannot be ignored.

14. The profits generated by criminal activities are the lifeblood of organized and transnational crime. Such profits form the financial base for further criminal activities. Consonant with the modern corporate structure of organized and transnational criminal groups, profits are systematically "reinvested" to ensure smooth operations and finance the expansion which often has become the long-term strategic objective. In order for the proceeds of crime to be enjoyed and further used, their illicit origin must be effectively concealed. In addition, such concealment serves the purpose of maintaining the insulating effect of the pyramidical structure of most organized criminal groups, whereby their leaders cannot be connected with the criminal conduct that generated the proceeds. Investments are also made in legitimate businesses in order to gain advantages in specific sectors of national economies that are related with the most profitable operations of organized and transnational criminal groups. Infiltration of and control over legitimate businesses are methods increasingly used to consolidate the position of organized criminal groups in particular countries as well as specific sections of the market.

15. In geographic terms, the situation offers little optimism for the future unless concerted, consistent and effective countermeasures are developed and implemented as a matter of priority. Organized and transnational criminal groups are expanding to nascent economies, intent on securing a position that would maximize their present advance investments. Countries that have recently begun overhauling their economies after long periods of central control and adopting market-economy principles as part of that process are being targeted

by organized criminal groups. These groups are taking advantage of the lack of knowledge and expertise, as well as the deficiencies in infrastructure, in order to enter those countries and consolidate their influence and position. Because of the urgent need for foreign investment to avoid the risk of social unrest and hardship for the population, the countries concerned are an attractive target for organized crime. The fact that the transition to market economies is still at the initial stages is also operating in favour of criminal groups that wish to expand. The concern expressed over the infiltration of economies in transition is sometimes dismissed as premature. One of the factors cited as a potential deterrent to the flow of illicit funds into economies in transition is the very primitive stage of these economies in economic and financial terms. In this context, the non-convertibility of currencies and associated factors, including high inflation and uncertainty regarding such matters as property legislation, are considered to pose a high risk that makes economies in transition unattractive for illicit funds. What is ignored, however, is that organized criminal groups operate in many ways like transnational enterprises and invest in the potential of economies in transition. This potential is measured by such factors as natural resources and other criteria affecting likely economic growth. Furthermore, the risks involved in these investments are significantly lower, as successful efforts on the part of law enforcement and judicial authorities are less likely.

16. Successful concealment of the origin and the subsequent "legitimization" of illicit proceeds, an operation now generally referred to as "money-laundering", has assumed great proportions and has become professional in nature. In this respect, proceeds of crime are channelled into the financial system by experts in financial systems and operations, aided by legal experts whose function is not only to provide advice on the loopholes of legal systems and national laws, but also to conduct some of the operations themselves. The sophistication and complexity of the methods used, which are amply documented elsewhere, demonstrate the ingenuity and professional meticulousness of the individuals or groups involved. It is, in truth, a new and growing "industry".

II. PROBLEMS ASSOCIATED WITH THE CONTROL OF THE PROCEEDS OF CRIME

A. Governmental perspective

17. Full comprehension of the ramifications of the problem posed by the proceeds of crime, and appreciation of the difficulties that need to be overcome for its effective prevention and control, require thorough assessment of all aspects and characteristics. They also require an examination of the entities involved and the problems faced by them in mounting, or implementing, effective measures for the control of the proceeds of crime.

18. The task of controlling the proceeds of crime and preventing their laundering confronts Governments and their criminal justice systems, on the one hand, and financial institutions on the other. In this sense it is as much a policy issue as a technical one. These are the aspects that need to be analysed in order to design effective strategies and measures, but also to ensure adequate implementation. It should be said at the outset that this analysis applies at all levels, national as well as international. The global nature of the problem, and therefore the need for globally coordinated action against it, should be the predominant consideration in all efforts.

19. The problems that confront Governments range from appropriate legislation to the procurement of equipment and the development of the necessary knowledge and expertise for the investigation, prosecution and adjudication of cases. The enactment of appropriate legislation often entails the review of a number of laws that are inadequate to meet a dynamic situation resulting from new methods used by those who seek to launder illicit proceeds.

20. Member States have adopted a variety of approaches to the prevention and control of the laundering of the proceeds of crime. Some have opted for the exclusive use of the criminal law as an instrument for this purpose. Some have placed the weight on civil and regulatory legislation, reserving only a limited role for criminal law. Others have devised a combination of criminal law provisions and sanctions with civil and regulatory provisions that are designed to deal with the various aspects of the problem. At present, there exists no ideal system that would be readily applicable in all countries of the world. The basic reason for this is that, while the methods used by money-launderers follow almost identical patterns, the particular situation of different countries, their needs and their legal and political systems vary significantly. This is not intended to mean that variations of the most successful systems cannot be replicated. Nor does it mean that approaches cannot be designed in such a way as to ensure the degree of harmonization that is absolutely necessary for effective international cooperation.

21. The situation in developed countries appears to be improving, as a result of an awareness of the impact of the proceeds of crime on well-developed and advanced financial systems, as well as of the dangers posed by it. Such improvements are also the result of efforts made by developed countries to give effect to various recommendations of intergovernmental bodies and to the provisions of international agreements, such as the model legislation of the Organization of American States and the 1988 Convention. There are, however, differences in legislation that are being exploited by organized and transnational criminal groups in order to carry out their money-laundering operations. The process of enacting provisions that would criminalize money-laundering as a separate offence are well advanced. The drafting of appropriate legislation that would allow law enforcement, investigative and judicial authorities to deal effectively with the issue of the proceeds of crime requires a thorough study of the situation in each country and an assessment of the magnitude of the problem and of the directions in which it is likely to develop. Legislation should assume as much a proactive role as a reactive one, seeking to prevent the proceeds of crime from penetrating licit financial markets, and being drafted in such a way as to enable the competent authorities of Member States to cooperate effectively and promptly with their counterparts in other countries. Legislation is also sometimes required to clarify and amend existing laws that are interpreted or implemented in ways that reduce much of their intended effectiveness.

22. A major problem encountered by a number of Member States is a lack of knowledge, expertise and specialization needed to detect money-laundering techniques and practices. The problem may perhaps be more acute in developing countries, but it does not appear exclusively there. It could be said that the constantly increasing investments of organized and transnational crime in technology and expertise are outpacing the law-enforcement capacities of many Member States. The resources, including technology, placed at the disposal of law enforcement, investigative and judicial authorities are, in the majority of cases, inadequate to allow them to match the sophistication of money-launderers and their expert advisers.

23. Member States are beginning to realize that proceeds of crime are posing a grave danger to their financial systems and national economies, threatening to destabilize them and upset the very delicate balances that form the basis for the operations of every free-market economy. Major occurrences have been reported and documented in the international press with alarming frequency. In recent years the international community has experienced international frauds, involving banking and financial institutions in many countries, with implications often extending beyond the loss of money by depositors into the political sphere or affecting international relations. Moreover, there are disturbing indications that such events may represent only a fraction of the actual size of the problem created by the laundering of the proceeds of crime. A major concern is the fact that money-laundering operations frequently span long periods of time, often years, detection being due to a coincidence or a stroke of good luck. In most of the cases that have attracted the attention of the international media, a common element has been the desperate efforts of law enforcement and investigative and regulatory authorities ex post facto to untangle the web of transactions, deals and relationships that took years of careful planning to build. The inevitable conclusion is that even countries with the most advanced systems can be, and are, vulnerable to infiltration by the proceeds of criminal activity, and that for effective control, prevention is as urgently needed as action.

24. The risks that financial systems and economies run are proportionate to their size, complexity and sophistication. The infiltration of stock markets, securities and commodities exchanges, and money markets of international standing by proceeds of criminal activity threatens their very existence, not only by shaking the confidence of the public and institutional investors, but also by the potential for creating a chain reaction that can have consequences of destructive proportions. Recent developments in the international money markets and the currency crises that have caused currency realignments demonstrate the delicate balances currently at play in the global economy. The power that the vast amounts of illicit proceeds could exert in the legitimate financial markets assumes threatening dimensions when considered in the light of these delicate balances. The risk faced by many developing countries is as great. These countries are in a quandary between taking steps towards preventing the proceeds of crime from entering their economies, on the one hand, and depriving their economies from the foreign investment capital that they desperately need, on the other. Procedures designed to thwart money-laundering may be regarded by some as hindering foreign investment.

B. Perspective of financial institutions

25. The issue of the proceeds of crime should be examined also from the perspective of the financial institutions that are major actors in the economy, unwittingly or not, at both the national and international level. These institutions have a considerable contribution to make in the control of money-laundering.

26. The global economy today is characterized by the movement of funds between financial institutions through elaborate electronic means that have revolutionalized transactions. The volume of these transfers and the speed at which they are performed create often insurmountable monitoring problems, which are exacerbated by money-laundering methods and techniques of such sophistication that financial institutions lack the knowledge and expertise required for detecting suspicious transactions. Financial institutions depend

on certain long-established principles inherent in the nature of their business. One of these principles, confidentiality, is exploited by the professionals who launder criminal proceeds. Financial institutions are therefore in the difficult position of having to tread a fine line between preventing infiltration by proceeds of crime and not compromising the trust placed in them by their clients. This position becomes even more difficult in the face of often strict bank secrecy legislation that may prevent even the most willing financial institutions from lending their cooperation and assistance to law enforcement and investigative authorities. Cooperation with such authorities in investigations that require financial institutions to disclose information relating to the holders or beneficiaries of accounts may expose them to civil action that can result in substantial compensation payments. Such civil action is conceivable even in the absence of bank secrecy laws, and effective protection of financial institutions is necessary to ensure that their cooperation would not adversely affect their operations.

27. The monitoring and reporting of transfers and suspicious accounts and transactions requires, besides legal protection, major investments on the part of financial institutions in human resources development and training, as well as in equipment. In view of the latest technological innovations, monitoring and accurate reporting also requires the development of detailed procedures, which can be quite complicated. All these requirements inevitably increase the cost of services provided by financial institutions, and may also affect the speed of their transactions, a crucial factor in today's demanding global markets. Financial institutions that put in place all the procedures necessary for the effective control of the proceeds of crime, and for rendering assistance to law enforcement and investigative authorities, may run the risk of reducing their competitive edge at a time when financial services and markets are fiercely competitive. For financial institutions competing for business globally, this is a major concern which the recommendations of the Financial Action Task Force seek to address.

28. The provision of adequate incentives to induce financial institutions to lend their cooperation and support to the efforts against the laundering of the proceeds of crime should be considered. Financial institutions in a number of countries may be tempted by the appeal of obtaining the status of a financial centre by failing to pay sufficient attention to the long-term threat of infiltration by the proceeds of crime. In other cases the short-term gains can be immensely profitable. Organized and transnational criminal groups are prepared to handsomely reward assistance by financial institutions, offering, according to some estimates, fees that range from 4 to 10 per cent of the amounts that a financial institution may be willing to accept as deposits. The percentage depends on the amount of cash involved, its source and the perceived risks. It should be realized that, in spite of their size, such fees still represent an acceptable cost for the successful enjoyment of funds obtained illicitly. They should therefore be taken into account in designing measures to ensure cooperation on the part of financial institutions. Such measures should be structured in such a way as to eliminate the benefits derived from the payment of fees by money-launderers. At the same time, financial institutions that operate internationally should be encouraged to develop measures to ensure that their affiliates are not compromising their standards. The recommendations of the Financial Action Task Force also seek to address these issues, but will lead to success only if implemented by all financial institutions.

III. ACTION AGAINST THE LAUNDERING OF THE PROCEEDS OF CRIME

29. Effective policies and strategies against the laundering of the proceeds of crime must be designed in a fashion that would produce both short- and long-term results. The short-term goals should be to contain and control the problem. This would allow law enforcement, investigative and judicial authorities to bridge the gap by acquiring the skills and expertise necessary for countering the sophistication and ingenuity of professional money-launderers. The long-term objectives should be to put in place mechanisms designed to prevent the laundering of the proceeds of crime, or at least to make such laundering extremely difficult by significantly increasing the risks involved. Such a long-term strategy would deal effective blows to organized and transnational criminal groups by severing their lifeline and depriving them of the means of existence and expansion.

30. Policies and strategies against the laundering of the proceeds of crime should be designed and implemented taking into account certain basic elements of the problem on the basis of certain fundamental principles, as outlined below.

31. The basic characteristics of the laundering of the proceeds of crime, which to a large extent also mark the operations of organized and transnational crime, are its global nature, the flexibility and adaptability of its operations, the use of the latest technological means and professional assistance, the ingenuity of the operators and the vast resources at their disposal. In addition, a characteristic that should not be overlooked is the constant pursuit of profits and the expansion into new areas of criminal activity. The principles on which policies and strategies should be based would naturally derive from a careful evaluation and assessment of these elements. They should be comprehensive so as to avoid loopholes that would be immediately exploited by launderers. They should be the result of concerted efforts and close cooperation between governmental agencies and policy makers, on the one hand and financial institutions, on the other. They should be designed to foster international cooperation to offset the flexibility and adaptability of money-laundering operations. They should be structured to permit them to counter new methods and techniques of money-laundering as they develop. They should be geared to long-term objectives by being as much proactive as reactive. In addition, all measures, regardless of their nature, should complement each other within the framework of a consistent approach.

32. One consideration that should prevail in all policies and strategies against the laundering of the proceeds of crime is the maintenance of a very important balance. They should be designed to deal effectively with the problem without prejudicing normal and legitimate financial activity. In view of the scale and potential impact of the problem, particularly in cases that attract the attention of the international media, care must be taken to avoid overreactions. Effective policies should resist the temptation of overregulation that may, to differing extents depending on the conditions prevailing in each economy, compromise free-market principles, hinder investment, and thus adversely affect growth and development.

33. Measures against the laundering of the proceeds of crime can be divided into three major categories. One comprises primarily legislative initiatives; the second consists of measures of a regulatory nature; and the third contains infrastructure-building measures.

34. Legislative measures should be based on a thorough review and evaluation of existing laws to identify the means by which countries could deal with and control the proceeds of crime and to prepare the necessary amendments. The laundering of the proceeds of crime should be made a separate offence through the enactment of new laws where they do not exist, or the modification of existing ones to take into account recent developments and new techniques. One issue that deserves particular attention is that of "predicate offences". In many countries where money-laundering is a criminal offence, there has been a tendency to link it to drug-related offences. Such a link limits considerably the scope of the relevant legislation and diminishes its effectiveness. Legislation should cover the proceeds of criminal activity in general, with particular emphasis on crimes perpetrated by organized and transnational criminal groups. It should also be structured to lend itself to international cooperation by taking into account, and as far as possible adapting itself to, the practices of other countries. Such an approach is being followed by all relevant bodies, including the Organization of American States, the Financial Action Task Force and other United Nations entities.

35. Legislative measures should also give consideration to issues such as corporate criminal liability. There are considerable difficulties associated with both the concept and the implementation of corporate criminal liability. In addition to problems relating to basic principles in the theoretical foundations of criminal law in various legal systems, the establishment of corporate criminal liability, even where it exists, often presents legal difficulties, some of which derive from a problem confronting many countries in connection with economic crime in general. The effective application of relevant legislation largely depends on the availability of expert knowledge for the detection, investigation and adjudication process. In spite of such difficulties, however, it may be necessary, for deterrence purposes, to include provisions relating to corporate criminal liability in legislation against the laundering of the proceeds of crime. As noted above, such provisions should be carefully drafted to avoid becoming a hindrance to legitimate business activity.

36. The legislation that most assists launderers of the proceeds of crime is that relating to bank secrecy. In many countries, progress has recently been made in relaxing such laws in limited circumstances in order to facilitate law enforcement, investigative and judicial authorities in securing evidence. There are, however, a number of jurisdictions where bank secrecy laws are creating insurmountable problems to the detection and investigation of laundering cases. Some secrecy laws forbid any disclosure of information related to accounts and financial transactions. Effective measures would need to take into account existing legislation in order to lower the barriers to the control of the proceeds of crime. Each country will need to assess its own situation and priorities, but a certain degree of harmonization of relevant legislation is necessary to foster international cooperation. The relaxation of bank secrecy laws should be coupled with provisions that would shield financial institutions from civil action against them when they cooperate with the competent authorities by disclosing information pertaining to their clients. Such a measure is of particular importance to ensure that legislation is fully implemented. In some countries the "carrot-and-stick" approach is adopted. Financial institutions can be prosecuted for money-laundering, but are exempt from prosecution and breach-of-confidentiality actions in respect of transactions reported by them in good faith.

37. Some of the modern techniques of the laundering of the proceeds of crime include the use of fiduciary accounts, trust accounts (also known as "omnibus"

accounts) and shell corporations, which can provide a secondary layer of protection whereby, even if the bank secrecy veil can be lifted, it would still not be possible to ascertain the beneficial ownership of the laundered funds. Comprehensive legislation should take into consideration such entities and include measures that would prevent money-launderers from using them. Particular attention should be given to trust accounts, in so far as they are used by professionals, such as attorneys, and by investment firms. In addition to bank secrecy laws, the use of such accounts may impose a further layer of secrecy, hindering the detection and investigation of laundering cases because of the well-established attorney-client privilege. Legislation would therefore need to address the matter and strike an effective balance between the retention of the privilege and the prevention of its abuse.

38. The seizure and confiscation of the proceeds of crime has been the subject of considerable debate, not so much about the actual practice of confiscation, which is generally accepted as an effective measure against crime, but about the extent of confiscation, both in personal and material terms, and its procedural aspects. Some countries may be facing legal impediments that limit the use and application of the measure, while others that already have legislation to that effect may be faced with a situation where the legislation is interpreted in a restrictive manner. In spite of these appreciable difficulties, and in the absence of insurmountable obstacles created by constitutional law and practice, the resort to confiscation of criminal proceeds should be given favourable consideration in all jurisdictions. Relevant legislation should, to the extent possible, take into account the practice in other countries in order to make possible international cooperation in the seizure and confiscation of criminal proceeds, as has been done in relation to both the 1988 Convention and the Convention on Laundering, Search, Seizure and the Confiscation of the Proceeds from Crime, 4/ adopted by the Council of Europe.

39. An issue related to the confiscation of criminal proceeds is the creation of special funds in which such proceeds are deposited. In countries that are advanced in this field, confiscated assets are being used for various purposes, including the implementation of social policies, drug rehabilitation and the financing of research. In addition, assets deposited in such funds are often used, with considerable success, to build up or strengthen the infrastructure of law enforcement authorities.

40. Regulatory action, comprising the second category of measures, may be as important as legislation. Governments should give favourable consideration to establishing guidelines for investments, particularly foreign, that would include suitability reviews aimed at ensuring that investors are not associated with, or controlled by, criminal groups, and that the investment capital does not include or consist of criminal proceeds. A measure that can form part of this regulatory action may be the establishment of licensing controls that would operate with respect to the shareholders and major investors of large corporations, especially financial institutions. The regulatory mechanisms that would be set up should be structured around two major policies. They should be made to ensure flexibility and adaptability, taking into account practices in other countries, in order to foster international cooperation. Equally importantly, they should not become bureaucratic procedures that would create obstacles and delays for legitimate business activity.

41. Infrastructure-building, the third category of measures, must complement and reinforce the other two. The complexity of the problems created by the

laundering of the proceeds of crime is such that it requires expertise from various disciplines. The investigation of major cases recently undertaken demonstrates that securing evidence and reconstructing the activities involved in laundering operations (known as "following the paper trail") is an extremely arduous and demanding process, even in countries where the legislative framework permits this. Law enforcement, investigative and judicial authorities often lack the required expertise. Training and retraining programmes are therefore essential. The establishment of investigative teams composed of experts from various disciplines is an approach that also merits attention, as does investment in research and development for the purpose of intelligence gathering and investigation. In this connection, attention should be given to the possibility of establishing data analysis centres to monitor, with the direct involvement and assistance of financial institutions, large transactions and electronic transfers to enable early detection of possible laundering operations (what could be termed "early warning centres").

42. The cooperation of financial institutions is of cardinal importance in all efforts against the laundering of the proceeds of crime. Certain measures would be ineffective without their participation, and their assistance and support are essential both in the implementation of relevant legislation and in the development of policies and strategies. As mentioned already, financial institutions must overcome certain problems before they are in a position to effectively cooperate with and assist law enforcement, investigative and judicial authorities. It could be said that policies and strategies against the laundering of the proceeds of crime should have as one of their prime objectives the creation of an atmosphere of consensus regarding the measures to be devised and implemented. The financial institutions should be parties to that process and consensus. It remains the prerogative of Governments to adopt and implement measures of a legislative and regulatory nature. Financial institutions should be consulted, however, in view of their immediate involvement, and should share the burden of efforts against the laundering of proceeds of crime.

43. Financial institutions should be strongly encouraged to undertake a firm commitment to do everything in their power to refuse funds of illicit or suspicious origin. In the context of this commitment, they should develop mechanisms of self-regulation and devise and adopt internal procedures designed to reduce the risk of their operations being used as vehicles for the laundering of the proceeds of crime, with the long-term aim of shielding them entirely from that eventuality. Such mechanisms and procedures could take the form of internal codes of conduct, with provisions that would regulate staff duties and responsibilities regarding the detection, monitoring and control of suspicious transactions.

44. Financial institutions should be encouraged to develop and implement mechanisms that would allow them to monitor and report suspicious transactions at regular intervals to the competent authorities. These mechanisms can exist only in conjunction with legislation that would ease bank secrecy laws. The establishment or enhancement of internal auditing controls may be an appropriate way of strengthening the capacity of financial institutions to monitor suspicious transactions. Internal auditing controls may begin by undertaking a thorough examination of existing accounts to verify the identities of holders and reviewing records of transactions to detect movements of illicit funds. The aim of these reviews and internal auditing controls would be to establish whether there are patterns of transactions that require attention on the part

of the financial institution, and to put in place a transaction pattern control mechanism, as well as serving to educate staff. Such reviews need to be carried out with the utmost discretion in order to avoid breaching the duty of confidentiality that financial institutions owe to their legitimate clientele, and also not to hinder legitimate business transactions and operations. Internal auditing controls should be supplemented by regular statistical surveys of operations designed to provide financial institutions with a constant and reliable source of information.

45. There is a need for financial institutions to build or strengthen their capacity to monitor certain operations that are particularly prone to manipulation by professional launderers of criminal proceeds. Electronic transfers of funds is one area that requires particular attention and where capacity-building should receive priority. Interbank and intrabank transactions are very important in this respect. They represent a vast volume of daily work for financial institutions which has to be carefully monitored, since they are known to be used as one of the stages in the process of concealing the origin of funds and rendering them legitimate.

46. Financial institutions should also render themselves capable of effectively controlling the investment packages and portfolios that they compile and manage for their clients. The risk to be avoided is twofold. On the one hand, financial institutions should devote attention to the particular components of the investment packages and portfolios that they put together, in order to avoid having them tainted by elements owned or controlled through the use of illicit proceeds. On the other hand, financial institutions should exercise care regarding the clients to whom they offer investment and portfolio management services only.

47. An area where particular emphasis should be placed involves the transnational operations of large financial institutions and the control exercised over affiliates and branches in other countries. Large financial institutions whose operations extend across borders and cover many regions have an additional responsibility to make sure that the standards that they adopt at home apply equally to all their operations, regardless of geographical location or other circumstances. The issues involved in this undertaking present significant difficulties, since a financial institution may have affiliates or branches in countries whose laws, especially regarding bank secrecy, are not only diverse but also incompatible. In addition, internal rules cannot be contrary to government policies of the countries in which affiliates operate. Such difficulties, however, should not prevent financial institutions from setting high standards of professional integrity for their staff, and ensuring that their operations are not tainted in any way by criminal proceeds.

48. As noted above, the adoption and implementation of measures against the laundering of the proceeds of crime is not without cost for financial institutions. The mechanisms and procedures mentioned would require considerable investment in training of staff and equipment. In many countries, the assistance of financial institutions would be required to build capacities currently not existing. The importance of prevention and control of the laundering of the proceeds of crime, however, should override these considerations. Financial institutions should be encouraged to take the lead in devising and implementing the necessary measures, considering the related costs as a long-term investment that will produce beneficial returns.

IV. INTERNATIONAL COOPERATION AND INITIATIVES

49. The international community has demonstrated that it is not insensitive to the problem of the proceeds of crime. At the multilateral level, a number of commendable initiatives have been undertaken in recent years, receiving favourable attention and meeting with a rather encouraging response.

50. The 1988 Convention includes provisions that require contracting parties to criminalize money-laundering in connection with drug-related offences. The Convention entered into force on 11 November 1990, and by October 1991 it had been ratified by 48 Member States. UNDCP has undertaken a number of activities to promote implementation of the 1988 Convention, and, although ratification of more than 50 per cent of the signatory countries is still expected, significant progress has been achieved.

51. In June 1990, the Council of Europe adopted the Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime. The Convention was drawn up by experts from member States of the Council of Europe, in consultation with experts from a number of other States, including Australia, Austria, Canada and the United States of America. It is prima facie non-offence-specific and includes provisions for the criminalization of money-laundering, although it allows signatories to specify the predicate offences at the time of signature or ratification.

52. Other regional initiatives include a directive on the prevention of use of the financial system for the purpose of money-laundering, issued in 1991 by the Council of Ministers of the European Communities (91/308/EEC), and model regulations developed by a group of experts of the Organization of American States. 5/

53. One of the most comprehensive examinations of the question of money-laundering is the report issued in February 1990 by the Financial Action Task Force on Money Laundering, set up by the Group of Seven major industrialized countries, which contains 40 principal recommendations for dealing with the problem. The aims of the Task Force are, inter alia, "to assess the results of cooperation already undertaken to prevent the utilization of the banking system and financial institutions for the purpose of money-laundering, and to consider additional preventive efforts in this field, including the adoption of the statutory and regulatory systems to enhance multilateral legal assistance".

54. At the level of financial institutions, the Basle Committee on Banking Regulations and Supervisory Practices, a regulatory body composed of central bank representatives, issued in 1988 a statement of principles on the prevention of criminal use of the banking system for the purpose of money-laundering. The Committee recognized that public confidence in banks may be undermined by their association with criminals, and outlined a number of principles that its members should follow to combat money-laundering through the banking system. Emphasis was placed on customer identification, conformity to laws, establishment of high ethical standards, cooperation with law enforcement authorities and training of staff.

55. The Commission had before it, at its first session, a preliminary analysis of these initiatives, including a comparison of their provisions and the definitions that have been used regarding money-laundering and the control of the proceeds of crime in general (E/CN.15/1992/4/Add.5).

56. The control of the proceeds of crime is a problem confronting the international community as a whole. No country can claim or hope to be immune to its occurrence and effects, and no country can cope with it alone. As mentioned earlier, one of the fundamental characteristics of the problem is the ability of those engaged in concealing the origins of criminal proceeds and integrating them into the legitimate mainstream economy to shift their operations with remarkable speed and ingenuity across national frontiers and through economic systems. Economic or financial indicators that might discourage legitimate businesses from expanding or investing do not have a similar effect on the investors of criminal proceeds, who are ready to assume greater financial risks. The potential of criminal proceeds when they infiltrate the infrastructure of a financial system and the power that criminal groups can derive from such infiltration can have disrupting and destabilizing effects extending far beyond the confines of national or regional economies. In fact, as regions lower their barriers and move toward closer cooperation and economic integration, the potential deleterious effects assume dimensions that give cause for grave concern. Such a concern arises from the understanding that in the absence of carefully planned, consistent and effective policies and countermeasures, economic policies, measures and innovations intended to foster development and growth may also mask the illicit origin of funds flowing across national frontiers.

57. International cooperation should aim at the establishment of an effective global system that would eliminate the opportunities for concealing the origins of the proceeds of crime, control such proceeds and ultimately prevent them from tainting licit financial and business activities and infiltrating national economies. International cooperation should be based on a thorough comprehension of the nature, extent, ramifications and potential dangers of the problem. It should be structured on the basis of a comprehensive knowledge and expert assessment of profit-generating criminal activity, its trends and areas of involvement. International cooperation should be founded on an understanding of the needs and concerns of all Member States, and should seek, as one of its goals, to address those needs and concerns in the best possible way. It should also take into account the capabilities of Member States and strive to improve them. Finally, as with national policies and strategies, or perhaps even more so, international cooperation should be motivated by and aim at the achievement of the long-term objective of eventually eliminating the source of criminal proceeds.

58. The initiatives mentioned earlier are indeed steps in the right direction and contain a major part of those principles which, if properly adhered to, could begin to produce results. Each of these initiatives represents different approaches to the problem and has its own rationale. Some of the initiatives have linked money-laundering with a specific predicate offence, such as drug trafficking, thereby limiting their scope of application. Others are based on assumptions regarding the existence and capacity of the legislative and financial infrastructure, which may not be valid throughout the world. Yet others are designed on the basis of principles and concepts characteristic of particular legal systems, and for the purpose of meeting concerns which may not be readily shared by a more global audience. Finally, a number of the existing initiatives have a regional nature, which limits their reach and consequently their effectiveness.

59. The global nature of the problem requires a truly global approach. The valuable work done by the various entities mentioned above continues and could be combined in a coordinated, multilateral effort to broaden its scope and

effectiveness. International action aimed at controlling the proceeds of crime must be based on an international perspective and founded on a global consensus. The control of the proceeds of crime, particularly in the context of a rapidly changing international environment, is of such importance that no effort should be spared to reach a consensus. The response of the international community and its increasing mobilization demonstrate that meaningful international cooperation is not beyond reach. The importance of the problem and its potentially detrimental effects militate against approaches that risk obscuring the true dimensions of, and diverting attention from, the action required. It would be unfortunate if the urgency of action and the eagerness to achieve tangible results were to be misinterpreted as a demonstration of power over or lack of consideration for the needs or sensitivities of members of the international community with less sophisticated financial systems. The establishment of a global system of control of the proceeds of crime would undoubtedly require the eventual consideration of issues of compliance. If international cooperation is founded on genuine consensus, however, such considerations should not present great difficulties, since they would enjoy the widest possible support.

V. THE ROLE OF THE UNITED NATIONS CRIME PREVENTION AND CRIMINAL JUSTICE PROGRAMME

60. The need for strengthened international cooperation has been repeatedly acknowledged. There is a growing convergence of opinion that merely displacing the occurrence of the problem from one area to another produces only ephemeral results. The rapidly changing economic and political environment and the consequent extinction of divergent political perspectives that stood in the way of multilateral approaches and arrangements has created an atmosphere that is conducive to innovative solutions and meaningful international cooperation. The perceived sensitivity of certain issues, however, and the wish to make arrangements that would go beyond the lowest common denominator, have led to a preference for forms of cooperation, in other than drug-related areas, that require extensive negotiations of a bilateral nature. Recognizing the merit of those arrangements and their favourable potential for international cooperation, but also acknowledging the concern of Member States to devise arrangements on mutually beneficial grounds, the General Assembly adopted, by its resolution 45/117 of 14 December 1990, the Model Treaty on Mutual Assistance in Criminal Matters, which includes an Optional Protocol concerning proceeds of crime. The Model Treaty and the Optional Protocol are designed to enable Member States to develop mutual assistance in connection with the following: seizure of criminal proceeds, foreign forfeiture registration, pecuniary penalty and restraining orders; warrants in relation to goods and property that are the proceeds of crime; applications for interim restraining orders pending registration of, or other action on, corresponding foreign orders; and applications for monitoring or production orders in relation to accounts in financial institutions and documents relevant to the money trail. The Model Treaty on Mutual Assistance, together with the Model Treaty on Extradition, endorsed by the General Assembly in its resolution 45/116 of 14 December 1990, could provide a useful framework for further action at all levels. While the value of bilateral arrangements is uncontested, the global nature of the problem warrants consideration of gradual departure from an excessive reliance on them. There is also no apparent reason for regarding the problem posed by the proceeds of crime as lesser when it relates to criminal activity other than that which is the subject of multilateral conventions.

61. The Economic and Social Council, in its resolution 1992/22 of 30 July 1992, recognized the Commission as the primary policy-making body of the United Nations in the field of crime prevention and criminal justice. By including money-laundering in one of the priority themes for the work of the United Nations crime prevention and criminal justice programme, the Council also recognized the desirability and urgency of global action for the control of the proceeds of crime. In addition to its function in terms of policy-making, the Commission is in a relatively advantageous position for three reasons. It encompasses international expertise in crime prevention and criminal justice matters, and it constitutes the intergovernmental guiding force of a programme with global constituency. Thirdly, it is in a position to work in conjunction with other United Nations programmes, notably UNDCP, thus providing a coordinated approach. The report on the implementation of Economic and Social Council resolution 1992/22 (E/CN.15/1993/10) outlines the measures already taken to enhance collaboration with UNDCP.

62. The contribution of the United Nations crime prevention and criminal justice programme to the control of proceeds of crime can be instrumental and take many forms, depending on the extent of support it is to receive from the international community. The programme can build on initiatives already undertaken to deal with various aspects of the problem, consolidate them, and expand their focus, scope and application in order to assist the international community in establishing a global system of effective control of the proceeds of crime in relation to criminality generally. In this connection, the outline for an international conference on money-laundering developed by a meeting of experts organized by the International Scientific and Professional Advisory Council merits attention (E/CN.15/1992/NGO/4), as it may serve as a springboard for future action in the direction of a global approach to the problem, in conjunction with other United Nations programmes and intergovernmental organizations.

63. The United Nations crime prevention and criminal justice programme could undertake a comprehensive global study of the issue, which would include a thorough analysis of the methods and techniques used, the trends as they develop, both in geographic and substantive terms, as well as the legislative and regulatory measures adopted. Such a study would be geared toward the compilation of information from various sources, including Governments and financial institutions around the world, as well as intergovernmental organizations and bodies. The information would be collected and processed in an electronic database, accessible through the United Nations Crime and Justice Information Network, and be disseminated in a systematic fashion, as part of the clearing-house functions of the programme. The purpose of the study would be to provide a global view of the problem, place it in perspective, and thus assist policy and decision makers in Governments and the financial community in performing their functions and gearing their output towards more effective international cooperation. Preparations for the study and the compilation of the relevant information have already begun, in compliance with resolution 24 of the Eighth Congress. To date, 42 Governments have responded to the request of the Secretary-General for information on their legislation. In order for a comprehensive study to begin taking shape and for reliable conclusions to be made possible, the Commission may wish to encourage Member States to increase the rate of response to such calls. The clearing-house function of the programme can also assist regional bodies, such as the Financial Action Task Force, in disseminating information about their work, initiatives and progress to a broader audience than that represented by their membership.

64. The provision of practical assistance to requesting Member States can and should take other forms as well. The objectives of such assistance would not be restricted to the collection and dissemination of information, but to building on it. The programme could develop an assistance package that would extend from needs assessment and policy advice to infrastructure-building, designed to address all parameters of the problem and provide effective solutions to all its aspects. Work is taking place to develop the necessary training curricula and, on a regional basis, the affiliated institutes may also be able to assist. Clearly, wherever possible, such activities would be planned and carried out in cooperation with UNDCP.

65. The United Nations crime prevention and criminal justice programme could provide assistance in the formulation of these policies and strategies and in the development of the requisite measures. Contributions to ongoing development of model legislation on the basis of the consolidated knowledge and international expertise available or accessible to the programme would be one of the contributions to the global effort for the control of the proceeds of crime. Such model legislation would be developed taking into consideration the various initiatives already undertaken, employing the most effective strategies as demonstrated by international experience, and guided by the need for a certain degree of harmonization that is essential for effective international cooperation. The model legislation would be developed in the form of a framework that would allow adaptation to the needs of each Member State that might wish to use it to revise its national legislation. The crime prevention and criminal justice programme could also develop a system of providing expert advice to requesting Member States regarding the legislative and regulatory revisions necessary, as well as training on the implementation of the new legislation, again as far as possible in conjunction with UNDCP and relevant intergovernmental bodies.

66. In order to strengthen the capabilities of Member States, the programme would provide assistance, on request, to enable them to enhance their ability to effectively detect, investigate and adjudicate cases involving the laundering of the proceeds of crime. Such assistance could include the provision of expert advice and training with respect to the establishment of special investigative teams and effective methods of securing, presenting and evaluating evidence. It could also include provision of expert advice, training and equipment for the establishment of monitoring centres for data analysis to permit detection of laundering operations ("early-warning centres").

67. The programme could develop guidelines designed to assist Member States, at their request, in putting into place suitable controls for the review of foreign investment. These guidelines would be designed to screen investments to ensure that countries with little experience in forms of criminal activity such as the laundering of the proceeds of crime do not become the target of such operations. At the same time, they would ensure that the relevant provisions and mechanisms are developed in an efficient and expeditious fashion so as to avoid discouraging legitimate business activity and investment. These guidelines would be accompanied by the provision of expert advice and training regarding their implementation.

68. In view of the important role that the financial institutions have to play in every effort to control the proceeds of crime, the United Nations crime prevention and criminal justice programme could, by drawing on work already done in a number of areas, assist in developing guidelines to assist financial institutions in detecting suspicious patterns of behaviour. The

programme could similarly develop guidelines on measures designed to guard against the acquisition or control of financial institutions by illicit concerns or individuals involved in criminal activities. In addition, the programme could develop a standardized reporting format for suspicious and unusual transactions, which could be readily adapted to the needs of individual financial institutions and used by them in discharging their reporting obligations. These guidelines would be developed in close cooperation with financial institutions in order to ensure that they reflect their needs and concerns and to receive the benefit of their expert knowledge and experience. They could be coupled with the provision of expert advice and training regarding their adaptation and implementation in order to ensure maximum effectiveness and efficiency.

69. The contributions outlined above and the provision of technical assistance are directly and inextricably linked with the availability of resources, both human and material. The present resource level of the United Nations crime prevention and criminal justice programme is not adequate to allow it to meet the various demands made on it. This question is addressed in the report on the implementation of Council resolution 1992/22. The problem of the proceeds of crime has attracted the attention of a number of funding agencies, as well as intergovernmental organizations and bodies, such as the International Monetary Fund, the World Bank and the Organisation for Economic Co-operation for Development. There are clear indications that these entities are favourably considering the inclusion of the issue of the proceeds of crime in their funding and assistance priorities. The Commission of the European Communities and the Council of Europe are also considering the possibility of providing assistance to certain countries or regions. Moreover, according to its report for 1991-1992, the Financial Action Task Force is putting together a register of expertise and technical assistance that each member can provide. When complete, this register will be able to function as a source of programmes of assistance to non-member countries developed by international organizations or by the Financial Action Task Force itself. 6/ The United Nations crime prevention and criminal justice programme could work in partnership with these organizations or entities and receive support from them, financial or in kind, that would allow it to address the multiple needs of Member States and to develop global responses to the problem. The Commission may wish to consider ways and means of addressing the issue and approaching the entities mentioned above in order to ensure fruitful and mutually beneficial forms of cooperation that would produce the desired results.

Notes

1/ United Nations publication, Sales No. E.91.XI.6.

2/ Eighth United Nations Congress on the Prevention of Crime and the Treatment of Offenders, Havana, 27 August-7 September 1990: Report prepared by the Secretariat (United Nations publication, Sales No. E.91.IV.2), chap. I, sect. C.

3/ Official Records of the Economic and Social Council, 1992, Supplement No. 10 (E/1992/30), chap. I, sect. C.

4/ European Treaty Series, No. 141 (Strasbourg, Council of Europe, 1990).

5/ Organization of American States, "Final report of the group of experts to prepare model regulations concerning laundering offences connected to illicit drug trafficking and related offences" (OEA/SER.L/XIV.2.11).

6/ Financial Action Task Force on Money Laundering, "Annual report 1991-1992" (Paris, 1992).